

## Message Text

CONFIDENTIAL

PAGE 01 BOGOTA 06935 281418Z  
ACTION COME-00

INFO OCT-01 ARA-10 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01  
CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15  
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01  
/098 W

-----115101 290005Z /73

R 281331Z JUL 77  
FM AMEMBASSY BOGOTA  
TO SECSTATE WASHDC 2843  
INFO USMISSION GENEVA

C O N F I D E N T I A L BOGOTA 6935

USMTN

E.O. 11652: GDS  
TAGS: ETRD, MTN, CO  
SUBJ: COLOMBIAN MAXIMUM PRICE REGULATIONS: RESULTS OF  
OFFICIAL INTERVIEWS

REF: (A) BOGOTA 6767 (B) STATE 153598

1. EMBOFF SPOKE WITH GOC OFFICIALS AT MINHEALTH AND INCOMEX  
AND OBTAINED FOLLOWING INFORMATION:

A. DISCUSSION WITH DR. LIBARDO CARDENAS, MINHEALTH: DR  
CARDENAS DIRECTS OFFICE THAT MANAGES IMPORT REGULATIONS AD-  
MINISTERED BY THIS MINISTRY. HIS OFFICE DETERMINES IF PRO-  
DUCTS ARE BEING IMPORTED LEGALLY BY A MANUFACTURER OR BY A DIS-  
TRIBUTOR AND FOR WHAT USE THE PRODUCT IS BEING IMPORTED.  
WHEN IT HAS BEEN DETERMINED THAT THE IMPORT REQUEST IS LEGI-  
TIMATE, THE DOCUMENTS ARE RETURNED TO THE IMPORTER WITH APPROP-  
RIATE CERTIFICATIONS AND THE TRANSACTION MAY PROCEED. THE  
MINISTRY DOES NOT BECOME INVOLVED IN PRICE REGULATION.

B. DISCUSSION WITH DR. OSCAR HERNANDEZ, INCOMEX,  
OFICINA DE PRECIOS INTERNACIONALES: DR. HERNANDEZ STATED  
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THAT THE MAXIMUM PRICE LIST HAS NOT BEEN USED SINCE JULY  
1976. THE SYSTEM WAS ALTERED AT THAT TIME TO ELIMINATE SE-  
VERAL STEPS IN THE IMPORT DOCUMENTATION PROCEDURE. THE CU-  
RRENT SYSTEM OPERATES AS FOLLOWS: IMPORTS ARE PERMITTED  
AT ANY PRICE BUT INCOMEX MAY REVIEW THE PRICES AT ANY TIME  
DURING A FOUR YEAR PERIOD AFTER THE GOODS ARE NATIONALIZED.  
THIS IS DONE TO ELIMINATE OVERINVOICING. IMPORT PRICES

ARE COMPAREDD TO AN INTERNATIONAL PRICE LIST. THE PRICE LIST IS ORGANIZED ACCORDING TO AREA OF ORIGIN IN ORDER TO SEPARATE EFFECTS OF DIFFERENT FACTOR COSTS. FOR EXAMPLE THE PRICE OF COMMODITY XYZ IMPORTED FROM THE FAR EAST IN ALL PROBABILITY WILL BE DIFFERENT FROM THE SAME COMMODITY IMPORTED FROM THE U.S. CHIEF AMONG THE FACTOR COSTS ARE R & D AND PATENT RIGHTS WHICH PERMIT HIGHER PRICES TO BE GRANTED TO CERTAIN AREAS OF ORIGIN. THIS IS DONE TO ALLEVIATE EFFECTS OF OBVIOUS INFRINGEMENT OF PATENT POLICIES THAT EXISTS IN VARIOUS PARTS OF THE WORLD. INCOMEX IS EMPOWERED TO IMPOSE LEGAL PENALTIES ON IMPORTERS THAT PRACTICE OVERINVOICING.

2. INFORMATION CONTAINED IN PARA ONE PART (B) MAY EXPLAIN INDUSTRY SPECULATION ABOUT GOC TOLERANCE IN ENFORCING MAXIMUM PRICING REGULATIONS AS EXPRESSED IN REFTEL (A) PARA TWO, ALTHOUGH IT IS DIFFICULT TO BELIEVE THAT INDUSTRY SOURCES WERE UNAWARE OF PROCEDURAL CHANGE.  
DREXLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, DRUGS, PRICE CONTROLS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BOGOTA06935  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 BOGOTA 6767, 77 STATE 153598  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** COLOMBIAN MAXIMUM PRICE REGULATIONS: RESULTS OF OFFICIAL INTERVIEWS  
**TAGS:** ETRD, CO, MTN  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/6ef4f662-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
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22 May 2009  
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